

2 June 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.30% lower at 4.6000 and was seen hovering at 4.6005 at the point of writing. Daily outlook is slightly bearish on MYR strength this morning benefitting from the jump in oil prices as well as risk-on sentiment. At the same, USD also slumped overnight on prospects of the Fed staying pat on rates in June but we note that investors remained largely indecisive torn by a contracting ISM manufacturing and a healthy labor market. Next up will be the highly watched non-farm payroll data tonight.

#### 1-Month Outlook – USD/MYR Neutral

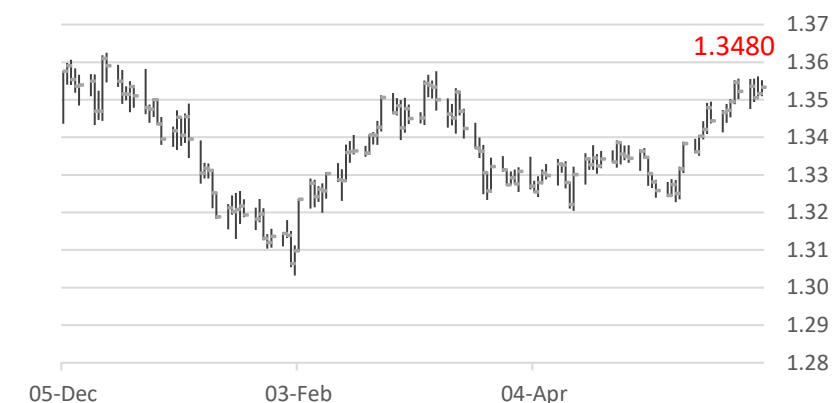
The USD/MYR 1-month outlook is neutral in our view, amid expectations for eventual USD consolidation torn between the end-of Fed tightening cycle, expectations for Fed rate cut, and haven demand given the greenback's dominant position as the world reserve currency. There are tentative signs growth in the US economy and labour market are losing their resiliency, although the latter is still healthy. In addition, concerns over the recent banking rout and the consequential tightening financial conditions and liquidity concerns, will exert pressure on sentiment and USD. Nevertheless, we do expect some support for the USD as the impasse on the debt ceiling edges closer to a resolution, and as the latest PCE print registered a surprised uptick. On the domestic front, a less hawkish tone in BNM's latest monetary policy statement and slightly accommodative policy stance implied that the current OPR rate is near neutral level. While there could still be room for a 25bps hike, moderating growth and inflation prospects will support our view for OPR to stay unchanged at 3.00% for the remaining of 2023, capping excessive gains in the MYR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.5841	4.5984	4.6005	4.6203	4.6270

## USD/SGD

## USD/SGD Neutral

USD/SGD opened 0.01% higher at 1.3479 and traded within the range of 1.3469-1.3483 before settling at 1.3480 at the point of writing. As both currencies are 'safe haven' currencies and will not benefit from the risk-on sentiment, we are neutral on this pair.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3417	1.3447	1.3480	1.3530	1.3583

## MYR Crosses

### SGD/MYR

### SGD/MYR Neutral

SGD/MYR opened 0.37% higher at 3.4248 but quickly erased all its gains to trade at 3.4124 at the point of writing. Daily outlook is neutral as SGD lost its lustre, weakening against most regional currencies on the back of risk-on mood, offsetting the jump during opening.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4033	3.4078	3.4124	3.4193	3.4273

### GBP/MYR

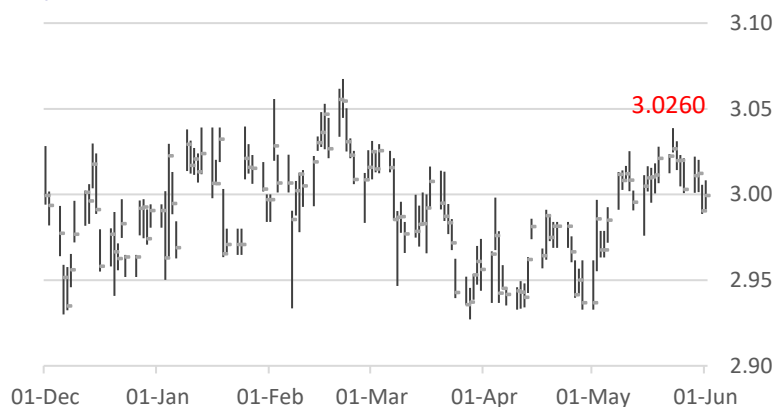
### GBP/MYR Slightly Bullish

GBP/MYR opened 0.63% higher at 5.7795 but quickly pared its gains to 5.7614 at the point of writing. Daily outlook is slightly bullish on account of the higher opening, as investors continued to price in another 25bps rate hike after the latest data showed that UK inflation remained quadruple the BoE's target.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.7204	5.7320	5.7614	5.7732	5.8576

## AUD/MYR



## AUD/MYR Slightly Bullish

AUD opened 0.95% higher at 3.0347 but retreated to 3.0260 at the point of writing. Daily outlook is slightly bullish. We noted that AUD took a breather this morning, erasing some of its earlier gains to trade at 0.6579 at the point of writing after the Fair Work Commission decided to raise the minimum wage by 5.75% wef 1 July. The currency move suggests that markets do not expect this to drive inflationary pressures as only 0.7% of the workforce falls under this category.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9850	2.9956	3.0260	3.0275	3.0357

Source: Bloomberg, HLBB Global Markets Research

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